



AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE - NET (DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions")

1.1 Parties: This Lease ("Lease"), dated for reference purposes only... is made by and between DENAT INVESTMENT COMPANY, a California general partnership ("Denat") and CONSOLIDATED CAPITAL OF NORTH AMERICA, INC., a Colorado corporation

(collectively the "Parties," or individually a "Party").

1.2 Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 20000 South Western Avenue, Torrance, California 90501 located in the County of Los Angeles State of California and generally described as (describe briefly the nature of the property and, if applicable, the "Project". If the property is located within a Project) a two-story office building containing approximately 19,140 square feet and a steel frame industrial building containing approximately 310,000 square feet (collectively, the "Building") and situated on approximately 609,840 square feet of land Rail spur abandoned and not part of premises. EXHIBIT "B" ("Premises"). (See also Paragraph 2)

1.3 Term: 3 (three) years and months ("Original Term") commencing ("Commencement Date") and ending December 31, 2000 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: N/A ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$ 75,000.00 per month ("Base Rent"), payable on the First day of each month commencing January 1, 1998 (See also Paragraph 4)

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. SEE ADDENDUM

1.6 Base Rent Paid Upon Execution: \$ 75,000.00 as Base Rent for the period January 1998

1.7 Security Deposit: \$ 75,000.00 ("Security Deposit"). (See also Paragraph 5)

1.8 Agreed Use: manufacturing, processing and distribution of steel products (See also Paragraph 6)

1.9 Insuring Party. Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.10 Real Estate Brokers: (See also Paragraph 16)

(a) Representation: The following real estate brokers (collectively, the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

- ☐ N/A represents Lessor exclusively ("Lessor's Broker");
☐ N/A represents Lessee exclusively ("Lessee's Broker"); or
☐ N/A represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Broker the fee agreed to in their separate written agreement (or if there is no such agreement, the sum of % of the total Base Rent for the brokerage services rendered by said Broker).

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by ("Guarantor"). (See also Paragraph 37)

1.12 Addenda and Exhibits. Attached hereto is an Addendum or Addenda consisting of Paragraphs 1 through 11 and Exhibits and Option to Extend, Addendum to Standard Lease, all of which constitute a part of this Lease.

2. Premises and Option to Purchase Lease Rider and agreement regarding equipment purchase and other rights

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating rental, is an approximation which the Parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

SEE ADDENDUM

Condition. Lessee shall deliver the Premises to Lessee... and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee within thirty (30) days following the Start Date, warrants that the existing electrical, plumbing, fire alarm, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading docks, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date and that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects. If a non-compliance with said warranty exists as of the Start Date, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify same at Lessor's expense. If, after the Start Date, Lessee does not give Lessor written notice of any non-compliance with this warranty within: (i) one year as to the surface of the roof and the structural portions of the roof, foundations and bearing walls; (ii) six (6) months as to the HVAC systems; (iii) thirty (30) days as to the remaining systems and other elements of the Building, correction of such non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. and the use made of the Premises as of the Start Date SEE ADDENDUM

2.3 Compliance. Lessor warrants that the improvements on the Premises comply with all applicable laws, ordinances or regulations of record, building codes, regulations and ordinances ("Applicable Requirements") in effect on the Start Date. Said warranty does not apply to the use to which Lessee will put the Premises or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. NOTIC: Lessee is responsible for determining what uses are going to appropriate for Lessee's intended use, and... that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty... promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessor does not give Lessor written notice of a non-compliance with this warranty within six (6) months... Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify same at Lessor's expense. If the Applicable Requirements are hereafter changed (as opposed to being in existence at the Start Date, which is addressed in Paragraph 6.2(e) below) as to require during the term of this Lease the construction of an addition to or an alteration of the Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows: